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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003949

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SUBJECT: S/I SATTERFIELD URGES PROGRESS ON LEGISLATION WITH  
KEY UIA OPERATIVE HUMMAM HAMMOUDI

REF: BAGHDAD 3897

Classified By: PolCouns Matt Tueller for reasons 1.4 (b) and (d)

¶1. (C) Summary. Key UIA operative and CoR Constitutional Committee Chair Sheikh Hummam Hammoudi told S/I Satterfield December 3 he believes a "compromise" draft of the provincial powers law, which rolls back PM Maliki's press for a strong central government, can be achieved early in the new year. He was optimistic an agreement could be reached on a draft text letter from Maliki regarding the renewal of the United Nations Security Council Resolution (UNSCR) in the next week. He said both the 2008 budget and de-Ba'athification law will pass before the CoR adjourns in January. He was less optimistic an agreement on the oil law could be reached until constitutional language is clarified regarding the federal government's authority over oil resources. Hammoudi also conceded more progress was needed in passing an elections law and completing the constitutional review process. End summary.

#### A COMPROMISE IN THE WORKS ON PROVINCIAL POWERS

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¶2. (C) Hummam Hammoudi told S/I Satterfield he believes a compromise provincial powers draft that rolls back PM Maliki's position of strong central government control would be achieved early in the new year. Maliki's position enjoys limited support outside the Sadr Bloc and Maliki's own office. Of seven points of contention, Hammoudi said four have been resolved. The most contentious issues include control over ISF forces, and the appointment of the governors. (Note: The PM Office version of the law gives the PM the authority to appoint and dismiss governors, dissolve provincial councils, exert administrative controls, and make decisions regarding district directors. End note). Hammoudi acknowledged that PM Maliki had personally taken a hand in delaying the legislation. He added that Tawafuq is in agreement with ISCI on the need to give more authority to the provinces. In response, S/I Satterfield stressed this legislation should not be paralyzed by a small group of individuals and that all parties need to be part of the discussion. It was very important for Iraq's future that this legislation move ahead as rapidly as possible.

#### PUSHING UNSCR THROUGH THE UN

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¶3. (C) S/I Satterfield raised the extension of the UN mandate (UNSCR) and the exchange of letters from the PM's Office, highlighting the importance of presenting a bilateral agreement to the UN Security Council within the coming few days. In response, Hammoudi said, "we are giving the authority to the PM to negotiate this agreement," but said parliamentarians want the PM to address the CoR on the issue. S/I Satterfield noted several concerns, including the need to clarify language regarding GOI command and control over all Iraqi Forces as well as tasks related to detainees.

Satterfield stressed that the GOI should hold off on requesting a reduction in the percentage of Iraqi oil revenues directed to the Compensation Fund (in accordance with resolution 1687) for Kuwait until mid-year or at the end of the mandate. "Raising this now," he said, "will not produce a good result." Hammoudi predicted an agreement will be reached in five days.

#### PROGRESS ON DE-BA'ATH AND THE 2008 BUDGET

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14. (C) Hammoudi said the de-Ba'athification law will pass. The budget, however, is a problem. He said everyone is upset with the Kurds playing with the language (reftel) before the law received its first reading. The law will not have to be returned to the CoM, he said, despite these problems. S/I Satterfield stressed the USG will continue to press for passage of the 2008 budget as one of its highest priorities. Despite these obstacles, Hammoudi is optimistic the budget will pass in early January.

#### MUCH DEBATE ON THE OIL LAW

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15. (C) S/I Satterfield told Hammoudi the Deputy Secretary met with Nechirvan and Masoud Barzani the week of November 25 and pressed them to accept the Shura Council draft of the oil framework law, which is consistent with the February agreement, along with the June agreement on revenue sharing. He added negotiations should occur at the technical level regarding these drafts to reach a resolution. The most contentious issue delaying passage of the oil law, according to Hammoudi, is whether provinces and regions will attempt to trump any national oil law by promulgating their own

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legislation. Hammoudi added the language in the Constitution regarding federal/provincial control over oil resources is vague and needs clarification. (Note: Hammoudi was referring to language in Article 112 in the Constitution, which refers to both the federal and "producing" regional/provincial governorates undertaking management of oil and developing strategic policies to develop oil and gas wealth. Article 111 also says "Oil and gas are owned by all the people of Iraq in all the regions and governorates," causing confusion as well on this issue. End note).

16. (C) Hammoudi said he added language to reduce this confusion in the legislation, although he doubted that either Nechirvan or Masoud Barzani would agree with his proposed amendments. He added, "this is an important issue to resolve, especially after the Kurds passed their own oil law." He stressed that points will need to be added to the Constitution regarding federal control over oil resources. Hammoudi added, "We need a guarantee the regions will not change the federal law." He said there is also some opposition by the Kurds regarding the maps of oil fields being part of the legislation, but did not think this opposition was insurmountable.

#### ELECTIONS LAW/CONSTITUTIONAL REVIEW

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17. (C) Hammoudi told S/I Satterfield the most important law is the elections law and he hopes a settlement will be reached in the new year. Regarding constitutional review, he said there were close to fifty amendments in the articles of the Constitution addressing the authority of the federal government and governorates. He hoped the amendments could be provided to the CoR for a vote during the next session. Three or four of the amendments were still under debate, but the major blocs could reach a consensus on the issue. In response, S/I urged "genuine consensus" among the party leaders be reached rather than an artificial process that will have negative consequences.

¶8. (C) On an interesting note, Hammoudi said "Sistani thinks it is not appropriate (for CoR members) to go on a pilgrimage right now," emphasizing the need for Iraqi parliamentarians to remain at home to tackle important legislation. Hammoudi expressed interest in leading the Constitutional Review Committee to Washington during the February 2008 CoR recess to meet with U.S. experts on constitutional law.  
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